

FISCAL NOTE
HB 2974 - SB 3075

February 27, 2006

SUMMARY OF BILL: Establishes that any provision of a general appropriation act that appropriates a general compensation increase for state employees shall be deemed to include public higher education employees, unless the context of the provision requires otherwise.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent salary increases designated for public employees of higher education institutions are specifically tied to salary increases designated for general state employees, state expenditures could increase or decrease. Such increase or decrease in state expenditures would depend upon the specific provisions set out in the general appropriations bill.

Assumptions:

- The bill specifies that higher education employees are state employees as it relates to employee compensation.
- If the intent of the bill is to provide the same percentage salary increase for state and higher education employees, then higher education employees would receive a lower percent increase than provided in the recommended FY2006-07 budget (1% instead of 2%) and the savings would be approximately \$3,200,000.
- The FY2006-07 general appropriations bill includes a statement of intent regarding state employee and higher education employee across-the-board raises. The proposed salary policy is not the same for state employees and higher education employees. If the bill intended to eliminate any salary policy differences between state employees and higher education employees, this would further restrict flexibility that the appropriations bill provides to higher education in salary policy administration.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director